

MARYLAND HEALTH CARE COMMISSION

Certificate of Need

TO: Laurie R. Beyer, Executive Vice President and
Chief Financial Officer
Greater Baltimore Medical Center
6701 North Charles Street
Towson, Maryland 21204

August 20, 2020
Date

RE: Greater Baltimore Medical Center Three Story
Addition

19-03-2439
Docket No.

PROJECT DESCRIPTION

This Certificate of Need authorizes Greater Baltimore Medical Center (GBMC) to construct a three story addition that will include two thirty bed nursing units. The project will add 106,083 square feet (SF) and renovate 11,587 SF. GBMC has described its need to modernize the current patient rooms and make them compliant with Facility Guidelines Institute (FGI) standards. The project will not increase operational bed capacity or add new services, and volume increases are not expected as a result of the project. The project's total cost is estimated at \$108,228,049, and will be funded through \$70,000,000 in authorized bonds, \$30,000,000 in philanthropy, \$6,582,643 in cash reserves and \$1,645,406 in interest income from bond proceeds.

ORDER

The Maryland Health Care Commission reviewed the Staff Report and Recommendation and, based on that analysis and the record in the review, ordered, on August 20, 2020 that a Certificate of Need be issued for the project with the following conditions:

1. Any future changes relating to this project that result in adjustments in rates set by the Health Services Cost Review Commission shall exclude \$8,345,327 which is the estimated new construction cost that exceeds the Marshall Valuation Service guideline cost and portions of the contingency allowance and inflation allowance that are based on the excess construction cost.
2. Prior to its request for first use approval, Greater Baltimore Medical Center shall provide information, acceptable to Commission staff, that details the activities it has undertaken following approval of its Certificate of Need application to increase the amount of charity provided to patients and demonstrates its progress toward

achieving a level of charity care that places it in at least the third quartile of charity care provision among all Maryland general hospitals as documented in the HSCRC Community Benefit Report. If staff concludes that Greater Baltimore Medical Center's demonstration of progress is not satisfactory, further action regarding this Certificate of Need may be considered by the Commission at a public meeting before staff issues first use approval.

3. Prior to its request for first use approval, GBMC will outline a plan for phased modernization of its nursing units that will identify the bed capacity it will retain in operational status, the physical bed capacity it will repurpose but retain as physical bed capacity, and the physical bed capacity it will eliminate. This plan should specifically address GBMC's assessment of the need for surge bed capacity and GBMC's plan to maintain and deploy adequate surge bed capacity when needed.

PERFORMANCE REQUIREMENTS

In accordance with the conditions of the Certificate of Need set forth above and COMAR 10.24.01.12C (2) and (3), the project is subject to the following performance requirements:

1. Obligation of not less than 51 percent of the approved capital expenditure, as documented by a binding construction contract, no later than August 20, 2022.
2. Initiation of construction no later than four months after the effective date of the binding construction contract.
3. Documentation that the project is complete no later than 24 months after the effective date of the binding construction contract.

Failure to meet these performance requirements will render this Certificate of Need void, subject to the requirements of COMAR 10.24.01.12F through I.

PROPOSED CHANGES TO THE APPROVED PROJECT

Before making any changes to the facts in the Certificate of Need application approved by the Commission, Greater Baltimore Medical Center must notify the Commission in writing and receive Commission approval of each proposed change, including the obligation of any funds above those approved by the Commission in this Certificate of Need, in accordance with COMAR 10.24.01.17.

DESIGN APPROVAL AND FACILITIES LICENSURE BY MDH

This CON does not constitute a license or replace any approvals required by the Office of Health Care Quality (OHCQ) or others within the Maryland Department of Health (MDH). Greater Baltimore Medical Center must provide OHCQ and MDH with all information required for facility licensure.

QUARTERLY STATUS REPORTS

In accordance with COMAR 10.24.01.13B, Greater Baltimore Medical Center must submit quarterly status reports to the Commission, beginning November 20, 2020, three months from the date of this Certificate of Need, and continuing at three-month intervals, until the completion of the project.

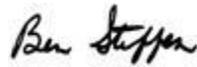
REQUEST FOR FIRST USE REVIEW

Greater Baltimore Medical Center must request in writing, not less than 60 days but not more than 120 days before the first use of the modernized hospital, a first use review from the Commission, specifying the anticipated date of first use and documenting that the project has been substantially completed and will be completed, within 120 days or less, in a manner and consistent with this Certificate of Need. Commission staff will review the request in consultation with the Office of Health Care Quality, as provided in COMAR 10.24.01.18, to determine whether the project conforms to this Certificate of Need. First use approval does not constitute a license or replace any approvals required by OHCQ or others within MDH to operate a health care facility. Therefore, Greater Baltimore Medical Center should assure that OHCQ is notified of the imminent completion of the project and should arrange for completion of any inspections and or approvals required by OHCQ in a timely manner. First use approval remains in effect for 90 days. If first use of the modernized hospital does not occur within 90 days of approval, Greater Baltimore Medical Center shall reapply for first use approval.

ACKNOWLEDGEMENT OF RECEIPT OF CERTIFICATE OF NEED

Acknowledgement of your receipt of this Certificate of Need, stating acceptance of its terms and conditions, is required within thirty (30) days.

MARYLAND HEALTH CARE COMMISSION



Ben Steffen
Executive Director

cc: Patricia T. Nay, M.D., Executive Director, Office of Health Care Quality
Gregory William Branch, M.D., MDA, CPE, FACP, Health Officer, Baltimore County
Thomas C. Dame, Esquire, Gallagher Evelius & Jones Attorneys at Law
Katie Wunderlich, Executive Director of HSCRC